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**To the Presiding Member
South Australian Superannuation Board
Southern State Superannuation Scheme**

Opinion

I have audited the financial report of the Southern State Superannuation Scheme for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Southern State Superannuation Scheme as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Member Benefits for the year ended 30 June 2026
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Chief Executive, Super SA and the Director, Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Southern State Superannuation Scheme. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 15(3) of the *Southern State Superannuation Act 2009* I have audited the financial report of the Southern State Superannuation Scheme for the financial year ended 30 June 2026.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southern State Superannuation Scheme's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive, Super SA
- conclude on the appropriateness of the Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

21 September 2026

Southern State Superannuation Scheme

Financial Statements

For the year ended 30 June 2026

Southern State Superannuation Scheme
Income Statement
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Changes in fair value of investments		3 008 040	2 581 199
Interest		2 579	2 324
Total income		3 010 619	2 583 523
Expenses			
Investment expenses	14	(70 126)	(69 987)
Administration expenses	15	(24 397)	(23 415)
Total expenses		(94 523)	(93 402)
Result from superannuation activities		2 916 096	2 490 121
Net insurance activities		(72 001)	(4 707)
Result from operating activities		2 844 095	2 485 414
Net benefits allocated to member accounts		(2 871 848)	(2 314 856)
Net operating result		(27 753)	170 558

The Income Statement should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	17	76 048	83 293
Receivables	6	3 147	14 609
Contributions receivable	7	37 434	33 728
Investments	4	30 496 615	27 779 148
Total assets		30 613 244	27 910 778
Liabilities			
Benefits payable		44 965	44 159
Payables	8	7 301	5 741
PAYG tax payable		894	508
Insurance liabilities		94 567	31 379
Total liabilities excluding member benefits		147 727	81 787
Net assets available for member benefits		30 465 517	27 828 991
Member benefits			
Member benefit liabilities	3	30 210 187	27 541 104
Total net assets		255 330	287 887
Equity			
Insurance Reserve	9	162 277	154 717
Administration Fee Reserve	10	28 946	25 139
Operational Risk Reserve	11	84 782	63 284
Investment allocation (under)/over	13	(20 675)	44 747
Total equity		255 330	287 887

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Changes in Member Benefits
for the year ended 30 June 2026

	2026 \$'000	2025 \$'000
Opening balance as at 1 July	27 541 104	25 449 498
Employer contributions	1 817 089	1 642 537
Member contributions	99 660	77 349
Transfers from other super entities	542 409	551 719
Transfers from other schemes	22	-
Government co-contributions	678	649
Net contributions	2 459 858	2 272 254
Benefits to members	(2 659 988)	(2 503 555)
Insurance premiums charged to members	(64 847)	(61 829)
Insurance benefits credited to members	61 745	69 334
Amounts allocated to members from reserves	467	546
Net benefits allocated to members, comprising:		
Net investment income	2 911 070	2 338 380
Administration fees	(39 222)	(23 524)
Closing balance as at 30 June	30 210 187	27 541 104

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Changes in Equity/Reserves
for the year ended 30 June 2026

	Admin Fee	Insurance	Operational	Over/(Under)	Total
	Reserve	Reserve	Risk	allocated	equity
	\$'000	\$'000	Reserve	benefits	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Note	10	9	11		
Opening balance as at 1 July 2024	20 899	161 189	45 728	(108 356)	119 460
Net operating result	1 052	(6 472)	17 556	158 422	170 558
Net transfer to/(from) reserves/equity	3 188	-	-	(5 319)	(2 131)
Closing Balance as at 30 June 2025	25 139	154 717	63 284	44 747	287 887

	Admin Fee	Insurance	Operational	Over/(Under)	Total
	Reserve	Reserve	Risk	allocated	equity
	\$'000	\$'000	Reserve	benefits	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Note	10	9	11		
Opening balance as at 1 July 2025	25 139	154 717	63 284	44 747	287 887
Net operating result	4 068	7 560	21 498	(60 879)	(27 753)
Net transfer to/(from) reserves/equity	(261)	-	-	(4 543)	(4 804)
Closing Balance as at 30 June 2026	28 946	162 277	84 782	(20 675)	255 330

The Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Other income		2 560	2 188
Cash generated from operating activities		2 560	2 188
Cash outflows			
GST paid to the ATO		(60)	(2)
Insurance administration expenses paid		(11 915)	(11 445)
Administration expenses paid		(22 837)	(19 241)
Cash (used in) operating activities		(34 812)	(30 688)
Net cash (used in) operating activities	17	(32 252)	(28 500)
Cash flows from investing activities			
Cash inflows			
Receipts from the sale of investments from Funds SA		2 156 574	2 271 279
Cash generated from investing activities		2 156 574	2 271 279
Cash outflows			
Payments to Funds SA for the purchase of investments		(1 924 643)	(1 974 579)
Cash (used in) investing activities		(1 924 643)	(1 974 579)
Net cash generated from investing activities		231 931	296 700
Cash flows from financing activities			
Cash inflows			
Employer contributions		1 813 421	1 659 719
Member contributions		99 622	77 349
Government co-contributions		678	649
Transfers from other super entities		542 431	551 719
Cash generated from financing activities		2 456 152	2 289 436
Cash outflows			
Benefit payments to members		(2 658 739)	(2 518 771)
Net insurance payments to members		(4 337)	(3 149)
Cash (used in) financing activities		(2 663 076)	(2 521 920)
Net cash (used in) financing activities		(206 924)	(232 484)
Net change in cash		(7 245)	35 716
Cash at the beginning of the financial period		83 293	47 577
Cash at the end of the financial period	17	76 048	83 293

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

1. Objectives and funding

a) Southern State Superannuation Scheme

The Southern State Superannuation Scheme (the Scheme/the Triple S Scheme) is both a contributory and non-contributory superannuation scheme established pursuant to the *Southern State Superannuation Act 2009* (the Act). The Scheme commenced on 1 July 1995 pursuant to the *Southern State Superannuation Act 1994* and is continued under the Act and the *Southern State Superannuation Regulations 2009*.

Members can elect to make contributions to the Scheme based on a percentage of their salary commencing from 1 per cent, under Regulation 17. A member of the police force, an operations employee of the South Australian Ambulance Service who commenced employment after 1 July 2008 or a former standard contributory member of the SA Ambulance Service Superannuation Scheme who elected to transfer to the Triple S Scheme, must contribute at a rate of at least 4.5 per cent of salary as an after-tax superannuation contribution, or alternatively elect to make before-tax superannuation contribution of at least 5.3 per cent of gross super salary. A separate contribution account is maintained for each member. Member and employer contributions and any rollover amounts and co-contribution amounts are deposited by the Treasurer into the Southern State Superannuation Fund (the Fund) that is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

An employer is required to pay contributions to the Treasurer under section 21 of the Act. The employer contributed 11.5 per cent of salary from 1 July 2024 and 12.0 per cent of salary from 1 July 2025 onwards.

Benefits are represented by the balances of all member accounts that are available for employees who meet certain conditions. These conditions may include the following:

- Retirement
- Resign and meet a condition of release
- Retrenchment
- Election of Transition to Retirement or Early Access to Super while still an employee of the SA Public Sector
- Death or becoming terminally ill
- Termination of their employment due to invalidity.

The balance of individual member entitlements is provided in annual statements provided to each member.

The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

b) South Australian Superannuation Board

The purpose of these financial statements is to discharge the responsibilities of the South Australian Superannuation Board (the Board) under section 15 of the Act to maintain accounts of receipts and payments.

The Act charges the Board with responsibility for all aspects of the administration of the Act except for the management and investment of the Fund. The Act also provides the Board with the necessary powers to administer the Scheme.

The Board is required under section 13 of the Act to adjust a member's contribution account, rollover account and co-contribution account to reflect movements in the value of units allocated to each account.

Pursuant to section 14 of the Act, where a member or members have nominated a class of investments, or a combination of classes of investments, the Board shall adjust a member's contribution account, rollover account and co-contribution account to reflect the movement in the value of units held in the class of investments nominated by the member.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

c) Superannuation Funds Management Corporation of South Australia

Funds SA is a South Australian Government Entity established under the *Superannuation Funds Management Corporation of South Australia Act 1995*. Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA.

For further information on the investment of the Scheme's funds, reference should be made to the annual report of Funds SA. The investment assets, liabilities, income and expenses contained in these financial statements are related to the investment activities of Funds SA.

d) Funding arrangements

The Act requires that member contributions, employer contributions, rollovers from other schemes and co-contributions paid by the Commonwealth be paid to the Treasurer, who, in turn, deposits these amounts into the Fund, the Consolidated Account (which is appropriated to the necessary extent) or to a Special Deposit Account held with the Department of Treasury and Finance (DTF) established for that purpose. During the current reporting period, contributions were made to the Special Deposit Account.

Under section 10 of the Act, any payment to a member must be made out of the Consolidated Account (which is appropriated to the necessary extent) or from the Special Deposit Account established for that purpose. During the current reporting period payments were made from the Special Deposit Account.

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987* (PFAA), except as provided below.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

These financial statements are prepared on a 12-month reporting period, presented in Australian currency and all amounts have been rounded to the nearest thousand dollars (\$000).

The Scheme is a not-for-profit entity for the purpose of preparing financial statements.

b) New and amended accounting standards

The Scheme has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. The Scheme does not expect a material impact from the adoption of these standards when they become effective.

AASB 18 Presentation and Disclosure in Financial Statements

The standard applies to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. It introduces changes to the structure of the statement of profit or loss, including the classification of income and expenses into operating, investing, and financing categories. The standard also requires the presentation of new subtotals, such as operating profit or loss and profit or loss before financing and income taxes, and enhances disclosure requirements for management-defined performance measures (MPMs).

The Scheme has assessed the impact of AASB 18 and does not expect a material impact from its adoption when it becomes effective.

No Australian Accounting Standards have been early adopted.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

c) Financial assets and liabilities

a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading:

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in prices. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme do not meet the hedge accounting criteria as defined by AASB 9. Consequently, hedge accounting is not applied by the Scheme.

Financial instruments designated at fair value through profit or loss upon initial recognition:

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

b) Recognition

The Scheme recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Scheme commits to purchase or sell the asset.

c) Initial recognition

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Scheme recognises the difference in the Income Statement, unless specified otherwise.

d) Subsequent measurement

After initial measurement, the Scheme measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in assets measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Scheme.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement Note 4.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash and deposits in the Scheme's Special Deposit Account held with DTF, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

The Scheme's deposit account is under a sweeping arrangement where the full balance of all non-invested unitised cash of the Southern State Superannuation Scheme will be transferred each weekday to the corresponding account at Funds SA. It is at this stage that the cash becomes part of the Southern State Superannuation Scheme under the Triple S Act.

This separate "unitised account" within the special deposit account has been established to facilitate member contributions and payments to be paid to or from the Triple S Fund. The funds available also are included in the value of units in the Triple S Fund in accordance with the Triple S Act.

g) Receivables and payables

Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value, are unsecured and are normally settled within 15 days from the date of the invoice or date the invoice is first received, as per Treasurer's Instruction 11. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid when the Scheme becomes obliged to make future payments in respect of the purchase of these goods or services.

h) Benefits payable

Benefits payable are valued at fair value and relate to members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2026 but paid after 30 June 2026. These also include income protection payments payable on or prior to 30 June 2026 but paid after 30 June 2026.

i) Insurance liabilities

The Scheme provides death and disability benefits to its defined contribution members. Premiums are deducted from insured members' accounts and are paid into a dedicated insurance reserve in order to meet claims as they arise. The Scheme ultimately self-insures this risk as it is appropriate given the Scheme's present membership and reserve levels. The table below outlines the net results of the Scheme's insurance activities during the year:

	2026	2025
	\$'000	\$'000
Insurance contract revenue	64 847	61 829
Insurance contract claims expense	(61 745)	(69 334)
(Increase)/Decrease in insurance liabilities	(63 188)	14 243
Net result from Insurance Activities	(60 086)	6 738

Significant estimates made in measuring insurance contract assets and liabilities

The Scheme uses the services of an actuary to determine its insurance contract assets and liabilities. An actuarial valuation involves making various assumptions about the future. Actual events in the future may differ from these assumptions. The most recent actuarial valuation was performed for the triennium ending 30 June 2025. A shorthand approach has been adopted to determine the value of insurance liabilities between actuarial valuation dates. It is expected that the liability amount determined using the shorthand method will not be materially different had the liabilities been determined in full.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

The key assumptions used in measuring the insurance contract liabilities are:

- mortality and disability rates reflecting the Scheme's own claim experience including:
 - claim development patterns, and
 - catastrophic or other low-frequency, high severity events, which may result in claims experience materially worse than assumed and lead to higher insurance liabilities
- the number and amount of insurance claims yet to be reported to the Scheme, relating to the period prior to the reporting year end
- the level of additional payments expected for income protection claims in the course of payment, and
- the level of future claims management and related insurance expenses.

The key factors or uncertainties that impact the key assumptions above are:

- if mortality and/or disability rates increase, or longer than expected duration for income protection claims already in payment, it will result in an increase in insurance liabilities as a result of higher claims and will lead to a decline in the net assets of the Scheme
- higher than expected claims reported to the Scheme will result in an increase in insurance liabilities and will lead to a decline in the net assets of the Scheme
- higher than expected insurance administration and claims management expenses which would reduce insurance assets, and
- a better-than-expected claims experience will result in lower liabilities and an increase in net assets of the Scheme.

The impact of uncertainties around the key assumptions is largely met from the insurance reserves in the Scheme. The adequacy of the insurance reserves is considered as part of the actuarial valuation.

j) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the Income Statement.

k) Taxation

The Scheme is a constitutionally protected superannuation fund in terms of Section 295-15 of the *Income Tax Assessment Act 1997*, Regulation 995-1.04 (Schedule 4) and is exempt from income tax. Therefore, no income tax has been brought to account in these financial statements.

l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, or
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

m) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, the currency of the primary economic environment in which the Scheme operates. The Scheme's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

n) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

(i) Inflation Linked Securities

The Inflation Linked Securities portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

(ii) Property

The Property portfolio comprises unlisted property vehicles which are invested and managed by external managers. Investments in these vehicles have been valued in accordance with the valuations supplied by the managers.

(iii) Australian Equities

The Australian Equities portfolio comprises investments in listed Australian equities, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

(iv) International Equities

The International Equities portfolio comprises investments in equities listed on international share markets, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

(vi) Investment Grade Credit

The Investment Grade Credit portfolio comprises investments in discretely managed investments and Australian pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(vii) Private Markets Tax-Exempt

The Private Markets Tax-Exempt portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Private equity fund investments and the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

(viii) Core Infrastructure Tax-Exempt

The Core Infrastructure Tax-Exempt portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(ix) Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(x) Credit

The Credit asset class incorporates two sub sectors:

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Private Credit

The Private Credit portfolio comprises investments in international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(xi) Cash

The Cash portfolio comprises investments in a discretely managed investment, which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

(xii) Socially Responsible

The Socially Responsible portfolio actively incorporates the consideration of environmental, social and governance factors in their investment decisions and avoids investing in companies operating in areas of high negative social impact. The portfolio comprises investments in equities listed on Australian and international share markets and is invested and managed by external managers along with a number of international and domestic pooled fund investments and international private equity investments.

Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled vehicles have been valued in accordance with the valuations supplied by the managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. International private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

o) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Fund pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi-layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds.

For the year ending 30 June 2026, Funds SA managed nine (2025: seven) distinct investment options for the Scheme available to investors, each differing by strategic asset allocation:

- High Growth
- Indexed High Growth
- Balanced
- Indexed Balanced
- Moderate
- Stable
- Capital Defensive
- Cash
- Socially Responsible.

Reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to each of the investment options discussed in the preceding paragraphs.

p) Significant accounting judgements, estimates and assumptions

The preparation of the Scheme's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

It is also important to note that fair values are provided by Funds SA.

q) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Additionally, as identified in Note 1(c) above, the investments of the Scheme are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website under publications for further detail.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3. Member benefit liabilities

Triple S members are defined contribution members and bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Member account balances are determined by unit prices that are determined based on the underlying investment movements. Unit prices are updated daily. Refer to Note 18 for the Scheme's management of the investment risks.

	2026	2025
	\$'000	\$'000
Member benefit liabilities	30 210 187	27 541 104
As compared to net assets available for member benefits	30 465 517	27 828 991

4. Fair value of financial instruments

Classification of financial Instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuations are the responsibility of the Board. The valuation of investments is performed daily and are subject to quality assurance procedures.

After the checks above have been performed the Board considers the valuation results, including assumptions used in the valuations.

The Board also considers the appropriateness of the valuation methods and inputs and may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Valuation technique

The Scheme's investments are not quoted in an active market. To ensure fair value can be determined, the Scheme's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Scheme classifies these funds as Level 2 because fair value is determined by Funds SA based on the value of the underlying assets rather than quoted prices in an active market for identical units.

There were no changes in valuation techniques during the year.

	2026	2025
	\$'000	\$'000
Financial assets at fair value through profit or loss - Level 2		
Level 1 & 3 are not relevant to the Scheme		
Unlisted managed investment schemes	30 496 615	27 779 148
Funds SA	30 496 615	27 779 148

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. Value and movement of investments by investment option

	2026	Movement	2025
	\$'000	\$'000	\$'000
High Growth Tax-Exempt	4 779 631	686 767	4 092 864
Indexed High Growth Tax-Exempt	182 124	182 124	-
Balanced Tax-Exempt	23 296 530	1 804 862	21 491 668
Indexed Balanced Tax-Exempt	51 590	51 590	-
Moderate Tax-Exempt	650 962	12 651	638 311
Stable Tax-Exempt	448 808	(12 732)	461 540
Capital Defensive Tax-Exempt	231 030	(203)	231 233
Cash Tax-Exempt	585 129	(23 998)	609 127
Socially Responsible Investment	270 811	16 406	254 405
Investments at 30 June	30 496 615	2 717 467	27 779 148

6. Receivables

	2026	2025
	\$'000	\$'000
Refund from ATO for GST	391	331
Interest	213	194
Funds SA receivables	966	12 450
Benefit repayments	1 575	1 632
Other receivables	2	2
Total receivables	3 147	14 609

7. Contributions Receivable

	2026	2025
	\$'000	\$'000
Member contributions	521	483
Employer contributions	36 913	33 245
Total contributions receivable	37 434	33 728

8. Payables

	2026	2025
	\$'000	\$'000
Audit fees	87	83
Administration expenses	7 214	5 658
Total payables	7 301	5 741

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. Insurance Reserve

The Scheme self-insures and provides an insurance benefit based on units of cover, subject to certain limitations, in the event of death or permanent invalidity before age 70. An Income Protection Insurance benefit, subject to eligibility criteria, is also available in the event of a member becoming temporarily disabled before age 65.

Most members of the Scheme are provided with three Standard Death and Total and Permanent Disablement (TPD) units of cover as a default costing \$3.00 per week and can reduce or cancel this at any time. Police Officers and operations employees of the SA Ambulance Service, who commenced employment after 1 July 2008 or are former standard contributory members of the SA Ambulance Service Superannuation Scheme who elected to transfer to the Triple S Scheme before age 60, are required to have at least 6 units of Standard Insurance cover and are only able to reduce below this level or cancel on reaching age 65. The value of a unit of Standard Insurance for members up to age 34 years is \$75 000. The value of a unit declines from age 35. Additional units can be purchased (subject to medical evidence) to provide permanent employees with cover up to \$1.5 million and casual employees up to \$750 000. Members can switch their cover to Fixed Benefit Insurance and purchase additional units (subject to medical evidence).

Each Fixed Benefit Insurance unit has a value of \$10 000, with premium increases from age 35 to age 70 when cover ceases. The previously offered Fixed Insurance closed to new applications in November 2014.

As required by Section 17 of the Act, a report is obtained from an actuary appointed by the Treasurer on the costs and liabilities of the insurance arrangements of the Scheme (refer Note 2(i)).

To be eligible for the Income Protection Insurance benefit, a member must be an active member, working full-time or part-time and receiving an employer contribution. Casual employees not automatically provided with Income Protection Insurance but can apply for cover subject to medical evidence. Income Protection payments can continue for up to 24 months for members employed full or part time. Casual employees can be paid for up to 12 months.

	2026	2025
	\$'000	\$'000
Opening balance of Insurance Reserve	154 717	161 189
Investment earnings on Insurance Reserve ⁽ⁱ⁾	16 999	13 030
Premiums and charges	64 847	61 829
Benefit payments	(61 745)	(69 334)
Administration expenses ⁽ⁱⁱ⁾	(12 541)	(11 997)
Operating result	7 560	(6 472)
Closing balance of Insurance Reserve	162 277	154 717

(i) The Insurance Reserve is invested in the Balanced option. The rate of return on earnings in 2026 was 10.7 per cent (2025: 9.9 per cent).

(ii) The amount relates to the annual administration fee paid for administering the insurance arrangements.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10. Administration Fee Reserve

The Administration Reserve has been set aside to support the costs of strategic, system and operational requirements of the Scheme. The movement in the Reserve reflects the difference between administration fees collected from members and the cost of administering the Scheme during the year.

	2026	2025
	\$'000	\$'000
Opening balance of Administration Fee Reserve	25 139	20 899
Investment earnings on Administration Fee Reserve ⁽ⁱ⁾	3 265	2 299
Administration fees	24 622	23 524
Administration expenses ⁽ⁱⁱ⁾	(23 819)	(24 771)
Operating result	4 068	1 052
Transfers to/(from) reserve ⁽ⁱⁱⁱ⁾	(261)	3 188
Closing balance of Administration Fee Reserve	28 946	25 139

- (i) The Administration Fee Reserve is invested in the Balanced option. The rate of return on earnings in 2026 was 10.7 per cent (2025: 9.9 per cent).
- (ii) The amount relates to the annual service level agreement paid for administering the Scheme (refer Note 15).
- (iii) In 2026, the transfer relates to the Asset Liability Mismatch (ALM) true-up required following the implementation of new indexed investment options. In 2025, the transfer related to the allocation of surplus administration fees from the Board's General Reserves.

11. Operational Risk Reserve

The Operational Risk Reserve operates in accordance with the Operational Risk Reserve policy. The purpose of the Reserve is to provide funding for incidents where losses may arise from operational risks (as opposed to investment risks) relating to the Scheme. The level of the Reserve is determined by the Board, which has assessed this to be accumulated to 0.25 per cent of total assets in line with Prudential Standard SPS114. From 1 November 2022, a replenishment fee of 0.05 per cent was applied to members via a reduction in unit prices to achieve target levels.

	2026	2025
	\$'000	\$'000
Opening balance of Operational Risk Reserve	63 284	45 728
Investment earnings on Operational Risk Reserve ⁽ⁱ⁾	7 365	4 709
Operational Risk Reserve charge ⁽ⁱⁱ⁾	14 600	13 393
Payments from Reserve	(467)	(546)
Operating result	21 498	17 556
Closing balance of Operational Risk Reserve⁽ⁱⁱⁱ⁾	84 782	63 284

- (i) The Operational Risk Reserve is invested in the Balanced Option. The rate of return on earnings in 2026 was 10.7 per cent (2025: 9.9 per cent).
- (ii) The Operational Risk Reserve charge was introduced in the 2022-23 financial year by deducting 5 basis points across all members' accounts to fund the Operational Risk Reserve.
- (iii) The Reserve level is currently 0.28 per cent of Total Assets, compared to the target of 0.25 per cent.

12. Allocated to members accounts

The value of funds which have been formally allocated to investor accounts equals the member benefits. The formal allocation of earnings to investors' accounts has been determined for the 2025-26 financial year.

13. Unallocated to members accounts

Defined contribution schemes carry a proportion of amounts yet to be allocated. This unallocated amount arises because the financial statement of the Scheme is prepared on an accrual basis while monies are allocated to members on a cash basis.

The Scheme also values the investments reported in the financial statements at fair value (refer Notes 2(c)(e) and 4), while the unit prices used to determine the member benefit liabilities are based on soft close unit prices. This difference in valuation is reflected in the investment allocation amount in the Statement of Financial Position.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

14. Investment expenses

	2026	2025
	\$'000	\$'000
Investment expenses	70 126	69 987
Total investment expenses	70 126	69 987

Direct Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

15. Administration expenses

	2026	2025
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	22 572	21 091
Strategic projects expenses ⁽ⁱ⁾	1 721	2 235
Other administration expenses ⁽ⁱⁱ⁾	104	89
Total administration expenses	24 397	23 415

- (i) Regulation 16 provides for an administrative charge to be debited each year to members' employer contribution accounts and section 10 of the Act provides that administration costs will be paid from the Fund. The purpose of the administration charge is to provide for existing and future costs of administering the Scheme. The amount of the charge is determined by the Board. For the year ended 30 June 2026 the amount charged to members' employer contribution accounts was \$24.3 million (2025: \$23.3 million).
- (ii) Other administration expenses include Auditors' remuneration. Refer Note 16.

16. Auditors' remuneration

	2026	2025
	\$'000	\$'000
Auditor fees paid or payable	83	80
Total auditors' remuneration	83	80

Audit fees paid or payable to the Audit Office of South Australia relating to work performed under the PFAA were \$82,800, GST exclusive (2025: \$79,800). The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

17. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Scheme's Special Deposit Account held with DTF. The Scheme's deposit account is under a sweeping arrangement where the full balance of all non-invested unitised cash of the Southern State Superannuation Scheme will be transferred each weekday to the corresponding account at Funds SA. The purpose of this account is to hold member cash that has been unitised in Super SA's member administration system but not yet invested into Funds SA's unitised investment options. Interest charged to this account is in accordance with the agreed interest rate arrangements with relevant banking authorities. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2026	2025
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents	76 048	83 293
Total cash and cash equivalents	76 048	83 293
 Reconciliation of net cash (used in) operating activities to Net operating result		
Net operating result	(27 753)	170 558
 Adjustments for:		
Change in investments measured at fair value	(3 008 040)	(2 581 199)
Investment expenses	70 126	69 987
Insurance recognition	60 086	(6 738)
(Increase) in receivables	(79)	(138)
Increase/(Decrease) in payables	1 560	986
Allocation to/(from) member accounts	2 871 848	2 318 044
Net cash (used in) operating activities	(32 252)	(28 500)

18. Financial risk management objectives and policies

The Scheme's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

The Scheme's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk.

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

The Funds SA Board has overall responsibility for the establishment and oversight of the Scheme's investment risk management framework.

The Scheme's investment risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Scheme's investment managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme's activities.

The Scheme receives regular reports from Funds SA concerning compliance with investment objectives.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, inflation and equity prices will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates.

The Scheme's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies. Funds SA strategic policy for the management of its foreign currency exposure is as follows:

- foreign currency exposures in the Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Private Credit, Long Term & Short Term Fixed Interest, Defensive Alternatives, Investment Grade Credit and Socially Responsible asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are economically hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above, by Funds SA.

(ii) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Scheme's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:

- ensuring asset allocations of different investment products are consistent with the time horizon of each, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

(iii) Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

As the Scheme's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

The Scheme's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

(iv) Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in the investment for the year ahead. The following tables show the standard deviation around expected nominal returns for the Scheme's investment options.

The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have zero per cent tax rate applied and exclude franking credits

	Expected Average Return %	Market Risk %	Average Funds Under Management \$'000	Potential Impact of Market Risk (+/-) on Income Statement \$'000
Investment Options 2025-26				
High Growth Tax-Exempt	8.1	11.6	4 436 248	514 605
Indexed High Growth Tax-Exempt	7.0	12.6	91 062	11 474
Balanced Tax-Exempt	7.9	9.9	22 394 099	2 217 016
Indexed Balanced Tax-Exempt	6.8	10.6	25 795	2 734
Moderate Tax-Exempt	7.6	8.0	644 637	51 571
Stable Tax-Exempt	7.1	5.8	455 174	26 400
Capital Defensive Tax-Exempt	6.9	5.0	231 132	11 557
Cash Tax-Exempt	4.4	2.1	597 128	12 540
Socially Responsible Investment	7.8	9.8	262 608	25 736
Investment Options 2024-25				
High Growth Tax-Exempt	7.3	11.6	3 816 819	442 751
Balanced Tax-Exempt	7.0	9.3	20 788 887	1 933 366
Moderate Tax-Exempt	6.6	7.0	627 828	43 948
Stable Tax-Exempt	6.3	4.9	444 089	21 760
Capital Defensive Tax-Exempt	6.0	3.2	208 314	6 666
Cash Tax-Exempt	4.2	0.5	538 773	2 694
Socially Responsible Investment	6.4	9.3	249 509	23 204

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

The value of financial assets, included in the Statement of Financial Position represents the Scheme's maximum exposure to credit risk in relation to those assets. The Scheme does not have any significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Scheme does not have any assets which are past due or impaired and there is no concentration of credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

For the Scheme's investments, Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions
- a large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

For the Scheme itself, the liquidity position is monitored on a daily basis. The Scheme's cash and liquidity policy is to have sufficient cash balances to meet anticipated benefit payments, expenses and investing activities.

The following tables summarise the contractual maturity profile of the Scheme's financial liabilities based on the earliest date on which the Scheme can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

	Less than 3 Months \$'000	Total Contractual Cash Flows \$'000	Carrying Amount Liabilities \$'000
Liquidity Risk 2025-26			
Benefits payable	44 965	44 965	44 965
Vested benefits ⁽ⁱⁱ⁾	30 210 187	30 210 187	30 210 187
Total comprehensive result for 2025-26	30 255 152	30 255 152	30 255 152
Liquidity Risk 2024-25			
Benefits payable	44 159	44 159	44 159
Vested benefits ⁽ⁱⁱ⁾	27 541 104	27 541 104	27 541 104
Total comprehensive result for 2024-25	27 585 263	27 585 263	27 585 263

- (i) Payable amounts disclosed here exclude amounts relating to constructive obligations and statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Audit Office of South Australia audit fees).
- (ii) Vested benefits have been included in the "Less than 3 Months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

The Fund manages its obligation to pay the defined contribution component on an expected maturity basis based on management's estimates of when such funds will be drawn down by members. The Fund considers it is highly unlikely that all defined contribution members will request to roll over their superannuation fund account at the same time.

d) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over-the-counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

19. Segment information

The Scheme operates in one reportable segment, being the provision of benefits to members. The Scheme also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Scheme operates from Australia only, the Scheme, through its investment manager Funds SA, has investment exposures in different countries and across different industries.

20. Related parties

a) Key management personnel

The key management personnel of the Scheme includes the Treasurer, Board members, the Chief Executive and eight members of the Executive Leadership Team, Super SA, who have responsibility for the strategic direction and management of the Scheme.

b) Compensation

All key management personnel are compensated by the Department of Treasury and Finance or the Board, therefore their compensation is disclosed in the respective financial reports.

c) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

d) Transactions with other government entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

21. Events after the reporting period

There were no significant events after the reporting period.

Southern State Superannuation Scheme
Certification of the financial statements
for the year ended 30 June 2026

Certification of the financial statements

We certify that the:

- financial statements of the Southern State Superannuation Scheme:
 - are in accordance with the accounts and records of the Scheme,
 - comply with relevant Treasurer's Instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Scheme at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Scheme for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Tricia Blight
Chief Executive
Super SA

14/09/2026



Mark Hordacre
Director Finance
Super SA

14/09/2026

David Lloyd
Presiding Member
SA Superannuation Board


Date

14/09/2026